Department of Defense

National Security Personnel System

NSPS Roundtable
"Ask the Experts"

NSPS Flexibilities and Responsibilities

March 2009

Nancy Hill
Toni McFadden
NSPS Program Executive Office

Overview

- Discuss purpose of NSPS
- Provide information on NSPS flexibilities
- Share ‘Best Practice’ on compensation strategy – Department of Navy
- Questions

Purpose of NSPS

- NSPS – contemporary, modern HR management system to meet DoD's multiple mission requirements
- New way of doing business in the areas of staffing, classification, performance management, and compensation
- Requires strategic management to achieve desired results
- Shifts responsibilities and accountabilities – more planning, stronger emphasis on management
- Focus on achieving results

General Schedule vs. NSPS

TRADITIONAL GS	NSPS
■ "One Size Fits All" Approach	■ Mission-based; aligned & tailored to organization
■ Series of relatively narrow salary ranges • Restrictive policies on salary rates • Less competitive salary rates	■ Wider salary/pay ranges • Greater flexibility to set salary rates • More market-competitive salary rates
■ Multiple grade-levels • "Job-Evaluation" Centric • Restrictive reassignment policies	■ Flatter organizational structure • "Job Competencies/KSAs" Centric • Greater flexibility to assign personnel to meet business needs
■ Employees focus on promotions • Less opportunity to change jobs or job series	■ Employees focus on increasing competencies/KSAs • Greater opportunity to change jobs or job series; better able to manage own careers and interests
■ Pay increases based on longevity • Higher levels of performance do not result in greater salary increases • WGIs not an annual opportunity	■ Pay increases based on performance • Greater pay increases on higher levels of performance • Annual pay increase opportunity
■ Better able to control salary costs	■ Potential for greater salary costs

NSPS Flexibilities Need a Plan

- Flexibility enables your organization to tailor your requirements and characteristics – you need a plan, a roadmap

- Organizational leaders must learn to use flexibilities in a way that best fits their organization to support individual and organizational success
  - What is the mission? What are your organization's strategic goals?
  - What kinds of positions/skills do your employees need now and in the future?
  - What career development goals/paths do you want to encourage and reward?
  - Cost analysis – what can you afford?
  - Equity – how do you ensure that all employees are treated fairly and equitably?
  - What's your strategy for recruiting and retaining a high performing workforce (the right person in the right job at the right time)?
  - Create a performance plan, communicate the plan, hold your supervisors/managers and employees (as well as yourself) accountable – take appropriate action as needed

Classification Flexibilities

- Classification structure basic features –
  - Career groups – combines occupations based on type of work, typical career progression/compensation patterns
  - Pay schedules – Pay ranges based on type of work
  - Pay bands - Combine a range of work into a discreet level, recognizes natural work progression
- Greater flexibility to assign personnel to meet business needs
- Greater opportunities for employees to seek challenging job assignments, manage own careers, develop interests
- Wider pay ranges
  - Greater flexibility to set salary rates
  - Ranges may be more market sensitive

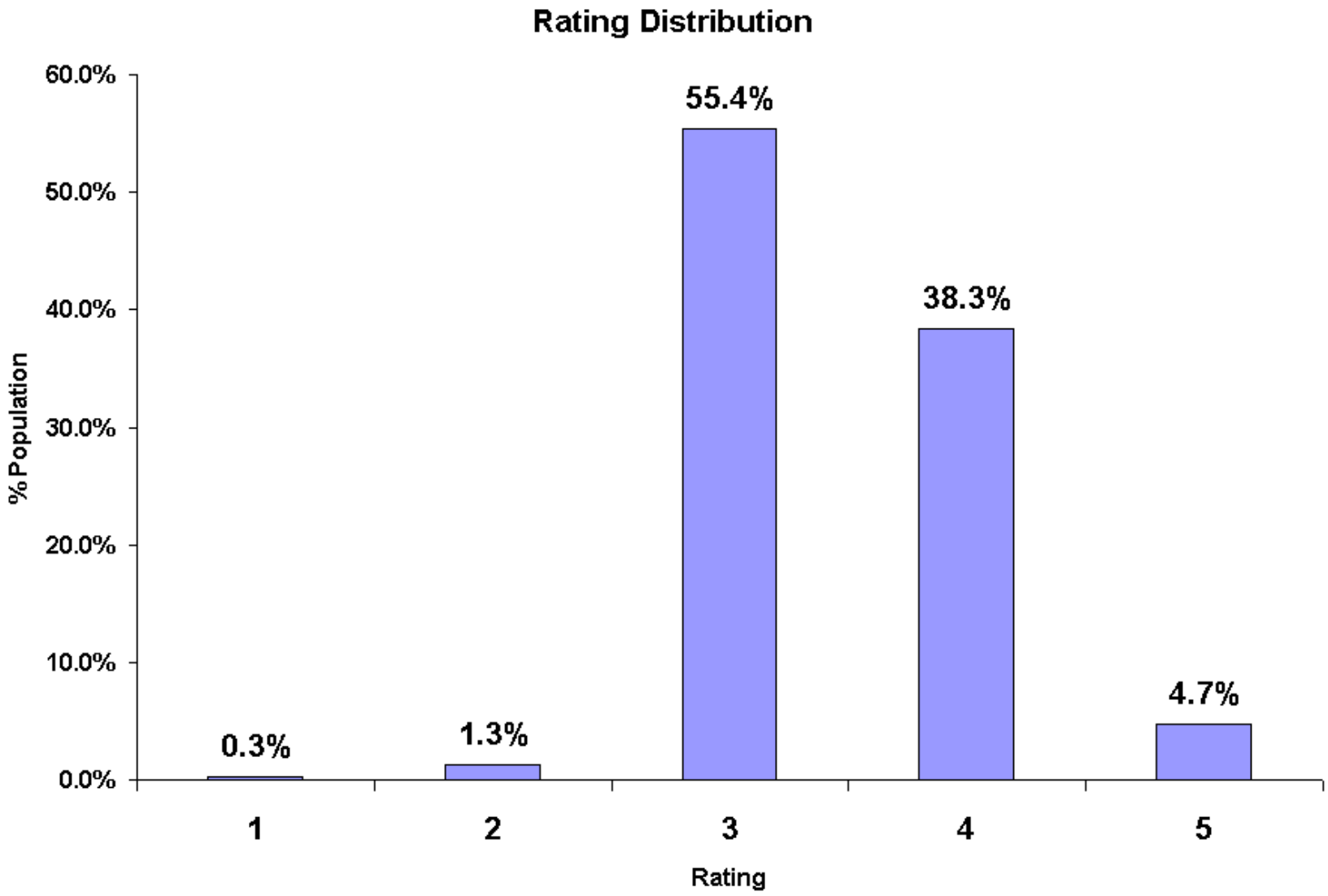
Staffing Flexibilities

- External hiring
  - Direct-hire authorities – Severe shortage/critical need
  - Temporary and term appointments
    - ✓ Extended timeframes
    - ✓ Noncompetitive conversion to a permanent appointment
  - Streamlined competitive examining process
    - ✓ No minimum open period
    - ✓ 1st area of consideration may be local commuting area
    - ✓ Elimination of “rule of 3”

- Internal placement
  - Alternate promotion procedures – no vacancy announcement required, but employees must be made aware that these processes may be used
    - ✓ Assessment Boards
    - ✓ Alternate Certification
    - ✓ Exceptional Performance Promotion

- Keys to successful performance management:
  - Senior management involvement
  - Communication flow at all levels
  - Transparency
    - ✓ Share information about performance based results and aggregate results of performance evaluations
    - ✓ Share recommended ratings

Overall Rating Distribution



NSPS Pay Pools

- Pay Pools:
  - Provide mechanism for ensuring multi-level accountability and responsibility
  - Hold managers/supervisors accountable for ensuring employees are rated fairly
  - Ensure decisions regarding compensation and rewards receive higher level review
  - Validate decisions made at individual level within context of organization and mission
    - ✓ Primary means of achieving internal and external equity
  - Preserve integrity of performance management system

Compensation Flexibilities

- Compensation decisions based on:
  - Market-driven factors
  - Performance
- Hiring/movement into NSPS –
  - New hires
  - Promotions, reassignments, reductions in band
  - Conversion-related increases
- Developmental positions
  - Accelerated compensation for developmental positions (ACDP)
- Performance based pay
  - Base salary/bonus pay increases based on performance, mission accomplishment
  - Unsatisfactory performance has monetary consequences
- Structural increases
  - General salary increases/standard LMS increases
  - Targeted salary increases/targeted LMS increases

Thinking About Compensation

- A conscious compensation philosophy is a must—if you don't have one…
  - One will emerge
  - You won't be able to effectively manage your budget or your resources
  - You won't be able to maximize NSPS flexibilities
  - You may treat employees inequitably and unfairly and you won't be able to justify/explain why you made the compensation decisions you did
  - You may develop a culture of pay increases based on movement vs performance

- Building a compensation strategy – establish a team to answer the following—
  - Who do you compete with to attract employees?
  - What's your market strategy?
  - What's the status of your labor pool?
  - Do you have the skills you need?
  - Do you have or do you care about internal pay equity?
  - How do you want to treat your interns/developmental employees?
  - What types of recognition are important to your workforce?
  - Are there some jobs that are worth more to your organization's success?

Closing Remarks

- NSPS provides a more modern, flexible HR management system
- Flexibilities exists to enable organizations to tailor to their unique requirements and characteristics
- *We are no longer on Auto Pilot*: Organizational leaders must learn to operate flexibilities in a way that best fits their organization and supports individual and organizational mission and goals